

POWERLINE

NEWSLETTER OF THE SOUTHEASTERN POWER ADMINISTRATION



August 9-10, 2005:
National Hydropower Workshop

August 9-13, 2005:
VACAR/Southern/TVA/Entergy
Annual Meeting

August 11, 2005:
Savannah River Basin Drought
Management Study Meeting

August 17, 2005:
FRCC Compliance Meeting

August 24-25, 2005:
Team Cumberland Meeting

August 31, 2005:
Savannah River Basin
Stakeholders Meeting

September 26-27, 2005:
Southern Sub-Region
Security Coordinator's
Operating Committee Meeting

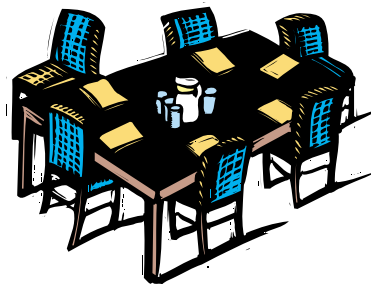
September 19, 2005:
FRCC Compliance Meeting

October 11-13, 2005:
SERC Fall Conference

October 25, 2005:
SeFPC, Inc. Quarterly Meeting

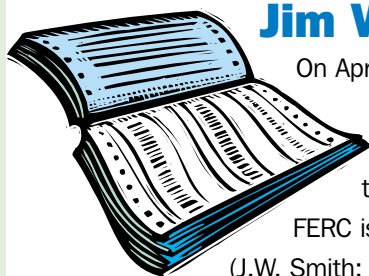
Team Cumberland Meeting Scheduled

A Team Cumberland meeting is scheduled for August 24-25, 2005, in Nashville, Tennessee. Representatives with the Cumberland System preference customers, Corps of Engineers Headquarters, Great Lakes/Ohio River Division, and Nashville District, as well as Southeastern Power Administration are slated to attend. The meeting will be held at the Embassy Suites Nashville at Vanderbilt, 1811 Broadway, Nashville, TN 37203 (phone: 615-320-8899) (Melissa Melton: 706.213.3812)



National Hydropower Conference

The 2005 Hydropower Strategic Planning Workshop is slated for August 9-10, Tulsa, Oklahoma. Items on the conference's agenda include customer's perspectives and the future direction for water resources and implications for hydropower. The conference will be held at the Doubletree Hotel, 616 West 7th St., Tulsa, Oklahoma 74127 (phone: 918-587-8000). Registration is available on-line at <http://operations.usace.army.mil/hydro/conf.cfm?CoP=Hydro&Step=1>. (Melissa Melton: 706.213.3812)



Jim Woodruff Rates

On April 18, 2005, the Federal Energy Regulatory Commission (FERC) issued an order (111 FERC 61,067) approving rate schedules on a final basis for the Jim Woodruff System. On May 18, 2005, Southeastern's customers filed a request for rehearing of this order. On June 17, 2005, FERC issued an order granting rehearing for further consideration. (J.W. Smith: 706.213.3839)

Blue Ridge Power Agency Allocations

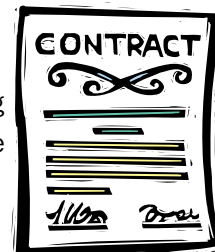
Effective July 1, 2005, the Blue Ridge Power Agency members reclaimed their allocations of Kerr-Philpott power. This power was marketed on a short-term basis to customers in the Dominion Virginia Power (DVP) area. (J.W. Smith: 706.213.3839)

PJM Interconnection

Dominion Virginia Power (DVP) joined PJM on May 1, 2005. A new scheduling agreement with DVP was executed effective that date and new contracts with the DVP area customers will be required. (J.W. Smith: 706.213.3839)

New Customer Payment Process

At the request of the U.S. Treasury Department, Southeastern implemented a new procedure for processing customer checks. All payments should now be sent directly to Southeastern (1166 Athens Tech Rd., Elberton, GA 30635), where they are converted into an electronic funds transfer. Using the Paper Check Conversion Over the Counter Receipt Program, the checks are copied and the account



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information is used to electronically debit the customers' account for the amount of the checks. Approximately 40 checks were processed on July 19, 2005, and electronically deposited into the U.S. Treasury. Southeastern is the first agency within the Department of Energy to use this program. Customers may also make payments through Southeastern's on-line payment program, Pay.gov. (Sonya Hulme: 706.213.3845)

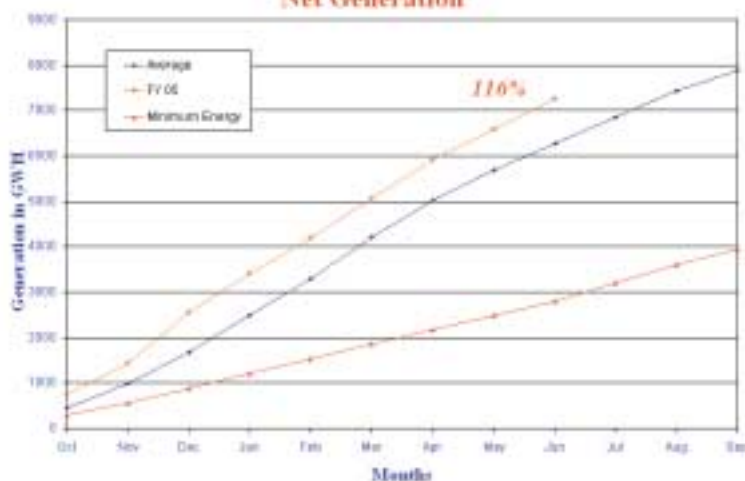
Georgia-Alabama-South Carolina MOA

The Georgia-Alabama-South Carolina Memorandum of Agreement (MOA), signed by participating customers in December 2004, was amended to accommodate new cash management arrangements between the Corps of Engineers and Southeastern. This July 2005 amendment enables Southeastern to collect payments from the customers and separate out the 212 allowance and forward it directly to the Corps.

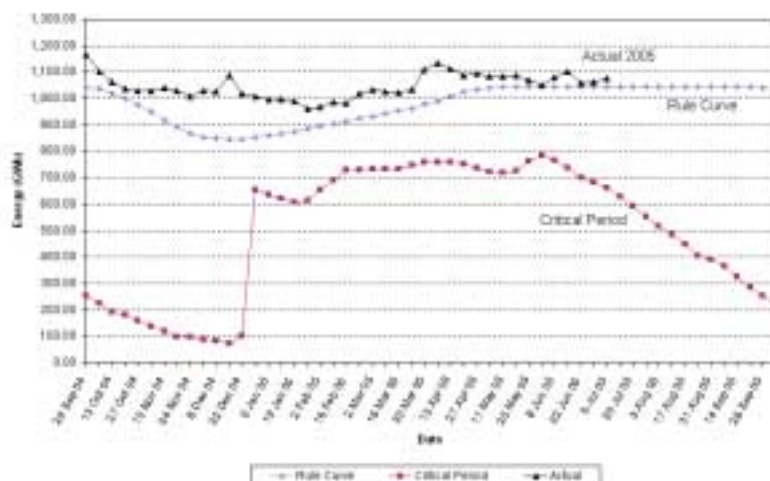


Amending the MOA required a modification to the Georgia-Alabama-South Carolina Funding Agreement. On July 19, 2005, the modified Funding Agreement was mailed to approximately 180 customers in the Georgia-Alabama-South Carolina System. Participating customers are requested to sign and return the Agreement by September 1, 2005. This will allow the Project Review Committee to form and recommend projects eligible to receive FY 2005 funds. (Al Pless: 706.213.3847)

SEPA's Four Systems FY 05 Cumulative Net Generation



GEORGIA - ALABAMA - SOUTH CAROLINA SYSTEM ENERGY STORAGE 2005



PLANT AVAILABILITY/CAPACITY UPDATE: APRIL - JUNE 2005

GA-AL-SC System

Hartwell

- Switchyard upgrade on schedule
- Transformer #2 bay returned to service
- #1 and #2 (170MW): Out through November 2005

Russell

- Transmission issues are constraining project output
- #7 (82MW): Turbine bearing failure; stainless steel shortage delaying return to service until November 2005

West Point

- #2 (39MW): Damaged coils jumpered to allow return to service

Thurmond

- (53MW): Final turbine replacement scheduled to be complete in October 2005

George

- #2 (42MW): Declared temporarily available due to water conditions
- #1 (37MW): Out for major rehab through Summer 2006

Carters

- #3 (140MW): Major cavitation repair through Summer 2006

Kerr-Philpott - System

John H. Kerr

- Tentative rehab schedule as follows:
 - 05/05 – 11/05: Transformer replacements
 - 11/05 – 12/05: Cleanup/prep
 - 1/06 – 8/06: Rewind/install governor and exciter on unit #1
 - 7/06 – 9/07: Install governors and exciters on units #2 through #7 (4-6 weeks each)
 - 9/07 – 2009: Rewind/install turbines on units #2 through #7

Philpott

- Station service unit out for 6 months
- Rehab in 2005

Cumberland System

Wolf Creek

- Overhead crane rehab began in July 2005
- Scheduled to begin MOA-funded rewind of unit #4 in September 2005

Center Hill

- Scheduled to begin overhead crane rehab in September 2005

Jim Woodruff System

- Firming and deficiency energy and support capacity (\$482,650) was purchased during this past quarter
- One hour per day of peaking operations, if available, is minimizing the firming and deficiency charges